

## DIVISION OF FINANCE

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STATE OF MISSOURI

March 19, 1999

The attached report represents a consolidation of Reports of Condition filed by state-chartered banks with the Missouri Division of Finance as of December 31, 1998, and a comparison with the statements filed one year earlier.

Also included is a comparison of financial statements of state-chartered and national banks.

During 1998, the number of state-chartered banks and trust companies declined by 23 from 368 to 345. Ten banks merged into out-of-state affiliates; ten merged into other Missouri state-chartered banks; and seven merged into other Missouri national banks. Four state-chartered banks converted to national charters. Five new banks and four new non-deposit trust companies were chartered. One inactive bank charter was surrendered and cancelled.

The assets of twenty-one banks left state regulation during 1998. On December 31, 1997, these banks totaled \$6.9 billion in assets and held \$6.2 billion in deposits. This represented 19.0 and 19.7 percent of state totals. The departure of these banks was largely the result of a few major banking organizations consolidating offices into other affiliates. While the physical offices and businesses remain, financial records are now reported in the out-of-state or national offices.

Assets in state-chartered banks totaled \$33.6 billion on December 31, 1998, a decrease of 7.6 percent from one year earlier. Deposits were \$28.4 billion, down 9.3 percent.

Total loans were \$21.6 billion on December 31, 1998, down 7.2 percent.

The equity capital ratio increased to 9.24 percent. Primary capital, which includes the reserve for loan losses, increased to 10.06 percent.

Net income in state banks was down 11.2 percent from 1997. Return on assets among state-chartered banks was 1.16 percent, down from 1.22 percent in 1997.

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Earl L. Manning  
Commissioner

**COMPARATIVE STATEMENT OF CONDITION  
STATE BANKS AND TRUST COMPANIES IN MISSOURI  
AS OF DECEMBER 31, 1998**

THOUSANDS OF DOLLARS	333 BANKS 12/31/98	359 BANKS 12/31/97	INCREASE DECREASE()	PERCENT CHANGE
<b>ASSETS</b>				
Total Loans	\$21,648,000	\$23,327,700	(\$1,679,700)	-7.2%
Allowance for Loan Losses	306,700	337,100	(30,400)	-9.0%
Total Assets	33,612,500	36,381,900	(2,769,400)	-7.6%
<b>LIABILITIES</b>				
Total Deposits	28,429,100	31,352,300	(2,923,200)	-9.3%
Total Equity Capital	3,105,600	3,311,900	(206,300)	-6.2%

OPERATING RATIOS	12/31/98	12/31/97	CHANGE
Capital and Reserves/Assets	10.06%	9.94%	0.12%
Total Loans/Assets	64.40%	64.12%	0.28%
Allowance for Loan Losses/Loans	1.42%	1.45%	-0.03%
Return on Assets	1.16%	1.22%	-0.06%

**NOTES:**

1997 Does not include nine nondeposit trust companies.

1998 Does not include twelve nondeposit trust companies and one chartered but not operating bank.

**COMPARATIVE STATEMENT OF CONDITION  
STATE AND NATIONAL BANKS IN MISSOURI  
AS OF DECEMBER 31, 1998**

MILLIONS OF DOLLARS	12/31/98			12/31/97	PERCENT CHANGE
	333 STATE BANKS	50 NATIONAL BANKS	383 ALL BANKS	404 ALL BANKS	
ASSETS					
Cash and Due from Banks	1,429	3,839	5,268	3,702	42.3%
Investment Securities	8,274	13,754	22,028	16,596	32.7%
Total Loans and Leases	21,648	25,630	47,278	39,474	19.8%
Less: Reserves	307	372	679	584	16.3%
Federal Funds Sold	1,247	1,014	2,261	1,737	30.2%
Fixed Assets	597	703	1,300	1,137	14.3%
Other Real Estate	51	20	71	65	9.2%
Other assets	674	1,381	2,055	1,355	51.7%
TOTAL ASSETS	\$33,613	\$45,969	79,582	63,482	25.4%
LIABILITIES					
Total Deposits	28,429	33,532	61,961	53,578	15.6%
Deposits over 100M	2,867	2,894	5,761	4,447	29.5%
Brokered Deposits	197	73	270	161	67.7%
Federal Funds Purchased	1,033	3,492	4,525	3,092	46.3%
Other liabilities	1,045	5,290	6,335	1,230	415.0%
Total Equity Capital	3,106	3,655	6,761	5,582	21.1%
TOTAL LIABILITIES	\$33,613	\$45,969	79,582	63,482	25.4%
EARNINGS					
Interest Income	2,384	2,373	4,757	4,367	8.9%
Interest Expense	1,167	1,162	2,329	2,050	13.6%
Net Interest Income	1,217	1,211	2,428	2,317	4.8%
Provision for Loan Losses	60	60	120	139	-13.7%
Net Income	380	377	757	760	-0.4%
Cash Dividends	23	718	741	417	77.7%
Net Loan Losses	34	58	92	109	-15.6%